(b) if so, what progress has been made in the matter?

THE MINISTER OF COMMERCE WITH ADDITIONAL CHARGE OF (THE MINISTRY OF LAW AND JUSTICE (SHRI SUBRAMANIAN SWAMY); (a) No, Sir.

(b) Does not arise.

RBI warning against financial deregulation and liberalisation

915. SHRI PARVATHANENI UPENDRA; Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has warned Government against financial deregulation and liberalisation; and

(b) if so, what is Government's reaction to the Bank's suggestion?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) No, Sir.

(b) Does not arise.

Trade with USSR

916. SHRI KRISHNA KUMAR B1RLA: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have imposed 300 per cent added value to the exports of non-traditional goods to the USSR;

(b) if so, what is the existing export to the USSR of non-traditional goods stating the major items of exports and the major items of imports from the USSR against the exports;

(c) what are the reasons to jack up the added value from the present level; and

(d) what is the likely impact of the decision on the overall trade with the USSR?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) No, Sir, there is no such across the board norm of 300 per cent value addition for all non-tradilional exports to the USSR.

(b) to (d) Do not arise.

Stoppage of letters of credit by State Bank of India for import of capital goods for electronics industry

917. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pieced to state:

(a> whether the State Bank of India has stopped issuing letters of credit for the import of capital goods and raw materials for the electronics industry and that the nationalised banks propose to follow suit;

(b) if so, what are. the compulsions for taking such a decision;

(c) whether Government have critically examined the resultant impact of a generalised ban on imports on the modernisation of industry in the country;

(d) if so, what are the details thereof; and

(e) whether Government propose to reconsider the decision?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (e) State Bank of Ir. dia have reported that they have not altogether stopped opening Letters of Credit for the import of capital goods. However, as a step towards conservation of foreign exchange in the wake of the current balance of payments- position, RBI hav; advised the banks not to provide Rupee Term Loans for the import of capital goods and to direct importers to the financial institutions for routing the imports through

the foreign currency lines of credit available with the latter. Banks have also been advised by RBI that where imports cannot be covered under the lines of credit available with the financial institutions, they may finance such imports. This measure has been taken to ensure that our free exchange resources are not drawn upon.

There is no specific embargo placed on the opening of letters of credit for import of raw materials for the electronics industry. In fact, SBI have already advised its local Head Offices to furnish full information relating to the outstanding letters of credit in respect of import of raw materials for the electronics industry to the Industrial Credit and Investment Corporation of India Ltd. (ICICI), with a view to exploring the possibilities of covering them under the available lines of credit with the letter.

Government is aware of the likely impact of these measures;, which have been taken on account of the current balance of payments position faced by the country.

Surreptitious import of partially oriented yarn from Taiwan and South Korea

918. SHRI S. MADHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether the second grade partially oriented yarn is surreptitiously imported under the guise of first quality yarn from Taiwan and South Korea; and

(b) if so, what steps are being taken to prevent such illegal imports?

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THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRl DIGVIJAY SINGH); (a) No such case has come to notice.

(b) Does not arise.

Export of pepper

919. SHRI S. MADHAVAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that export of pepper, especially to the Soviet Union, has been affected due to high rates; and

(b) if so, what steps Government have taken to meet the competition from Indonesia, Brazil and Malaysia which offer lower prices than India for this commodity?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) and (b) It is a fact that Indonesia, Brazil and Malaysia have been offering pepper at lower prices than India. The long-term solution to the problem is increased productivity for which Agriculture Ministry is taking necessary steps. The figures of export of pepper for the last three years are given below: -

1987-88		1988-89*		1989-90	
Qty. (MT)	Value (Rs. lakhs)	Qty. (MT)	Value (Rs. lakhs)	Qty. (MT)	Value (Rs. lakhs)
41011 (37570)	24058 (10695)	38020 (9540)	16420 (4431)	36601 (20020)	15987 (9556)

♦Figures in bracket indicate exports to USSR.